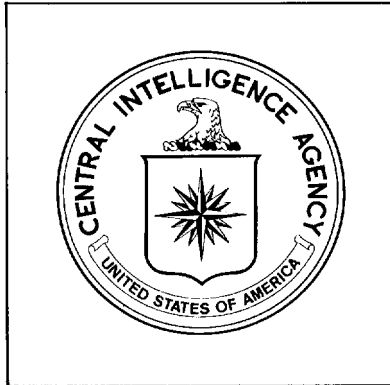


Top Secret

NOFORN



HR

STAFF NOTES:

Chinese Affairs

Top Secret

164

October 14, 1975
SC No. 00524/75

Handle via COMINT Channels

Warning Notice
Sensitive Intelligence Sources and Methods Involved

(WNINTEL)

NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

Classified by 010725
Exempt from general declassification schedule
of E.O. 11652, exemption category:
§ 5B(1), (2), and (3)
Automatically declassified on:
Date Impossible to Determine

DISSEMINATION CONTROL ABBREVIATIONS

NOFORN-	Not Releasable to Foreign Nationals
NOCONTRACT-	Not Releasable to Contractors or Contractor/Consultants
PROPIN-	Caution-Proprietary Information Involved
USIBONLY-	USIB Departments Only
ORCON-	Dissemination and Extraction of Information Controlled by Originator
REL ... -	This Information has been Authorized for Release to ...

CHINESE AFFAIRS

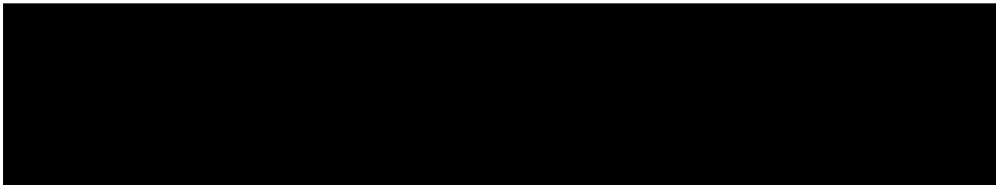
This publication is prepared for regional specialists in the Washington community by the East Asia - Pacific Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence and from the Directorate of Science and Technology. Comments and queries are welcome. They should be directed to the authors of the individual articles.

CONTENTS

October 14, 1975

Divorce, Chinese Style. 1

Taipei Tries Another Tack 5



National Day in the Provinces 13



China's Aluminum Purchases. 18

CHRONOLOGY. 20

~~TOP SECRET UMBRA~~

Divorce, Chinese Style

25X1A

It has long been an open secret in China that Chiang Ching is not popular with most leading party officials. This year she has finally been dealt a series of especially staggering blows that have left her virtually powerless in the cultural field she has dominated for nearly a decade. Her recent misfortunes also raise serious doubts about her present and future role in politics. Significantly, Mao himself has been personally associated with these moves against his wife, and it is now widely accepted in China that the Chairman has all but washed his hands of her.

Madame Mao's star has dimmed since her failure to win a government position at the National People's Congress in January. This failure has been attributed to Mao, who reportedly vetoed her nomination to more than one government job. Moreover, throughout the year, Mao has apparently stepped into the cultural arena to mediate disputes, in each case siding with beleaguered artists accused by his wife of political errors. For example, he added to the list of people's congress delegates the name of a performer purged during the Cultural Revolution and nipped in the bud a potential witchhunt of artists whose paintings allegedly contained political errors.

This summer, Mao lifted a ban imposed by Chiang Ching on the distribution of a documentary film on the life of China's model worker. Madame Mao claimed the film contained numerous political flaws. Mao, after reviewing the case, reportedly said the film had been unfairly criticized and ordered that it be widely disseminated. A document to this effect is currently circulating within China.

Most importantly, Mao personally authorized the rehabilitation of several leading cultural officials

October 14, 1975

~~TOP SECRET UMBRA~~

~~TOP SECRET UMBRA~~

who were among the earliest purged and most viciously attacked during the Cultural Revolution. These officials stood directly in the way of Chiang Ching's attempts to revamp the cultural sphere, and their return cuts sharply into her influence in that area. These people have not yet appeared in public, but a large number of their associates appeared for the first time since the Cultural Revolution at National Day celebrations on September 30.

The Mao-endorsed rehabilitations are the latest in a series of signs that Chiang Ching is being nudged out of her cultural role. The propaganda has not mentioned her in a cultural context since last April; Peking has sponsored numerous theatrical festivals highlighting the appearance of new cultural works, thus diluting the impact of the handful of "model" works produced under Chiang Ching's auspices; and evidence is mounting that the cultural portfolio now belongs to Politburo member Chang Chun-chiao. Chang has hosted several cultural delegations since this summer, and officials in the Ministry of Culture reportedly have admitted that he is in charge of culture.

Mao and his wife have evidently crossed swords on issues other than culture. The Chairman reportedly chastised her for trying to make a full-scale campaign out of the "back door" issue, i.e., pulling strings to obtain favorable jobs. For the second time in as many years, in fact, Peking issued a directive deferring action on the back-door problem until an unspecified later date.

Chiang Ching's behavior when left alone with foreign visitors seems to be an especially sore point. Mao reportedly was outraged when he read the transcripts of his wife's interview in 1972 with American sociologist Roxane Witke. Chiang Ching told Ms. Witke at the time that the transcripts would not be released until the Chinese leadership had approved them; Ms. Witke was officially informed some months later that she would not receive the transcripts.

October 14, 1975

~~TOP SECRET UMBRA~~

~~TOP SECRET UMBRA~~

Madame Mao's last solo outing with an official visitor was a year ago, when she hosted Mrs. Marcos of the Philippines. That incident ultimately caused the Chinese some embarrassment. Mrs. Marcos was apparently led to believe that Chiang Ching would be Mao's successor, and, after the establishment in June of diplomatic relations between Peking and Manila, the Philippine government apparently tried to show its appreciation by naming an orchid after Chiang Ching. Peking had to politely request that the orchid be re-named to commemorate Sino-Filipino friendship.

Incidents such as these may have been behind the six prohibitions on Chiang Ching's political activity that Mao reportedly set out in a document recently circulated within China. The document allegedly prohibits Madame Mao from meeting with foreigners alone, from making speeches without prior party approval--and from meeting with Mao.

In an apparent variation on this theme, stories have been making the rounds in China that the Politburo wants to reactivate its resolution of the 1940s that approved Mao's marriage to Chiang Ching on the condition that she not be allowed to participate in politics. Rumor also has it that Mao wrote his wife a harshly worded letter early this year in which he suggested they go their separate ways.

In any case, the word is out to the Chinese people that Chiang Ching does not have Mao's support. This deprives her of a powerful weapon that she has used in the past and could have been expected to use after Mao's death, namely that opposition to her is tantamount to opposing Mao, that she is the sole repository of Mao Tse-tung thought, and that others in the leadership have distorted Mao's policies. She cannot credibly make that claim today, and, more importantly, she will not be able to do so in the post-Mao era. Thus her hands are tied politically, for now and in the future, unless she manages to find another avenue to promote her ambitions.

October 14, 1975

~~TOP SECRET UMBRA~~

~~TOP SECRET UMBRA~~

Ironically, it was just a year ago that Madame Mao, using historical analogy, seemed to be making a case that she was the logical successor to Mao. She has come a long way down since that time. This is not to say that the left wing of the party, which she represents, is politically dead. Chiang Ching's views have a constituency throughout the country, and she personally may still have supporters in the cultural field. Given Mao's disassociation from her, however, it appears that her personal political future is very bleak and that the party's left wing will have to find another spokesman, one who is more adept at playing the political game than Chiang Ching has been.

(SECRET NOFORN/ORCON/NO CONTRACT)

October 14, 1975

~~TOP SECRET UMBRA~~

TOP SECRET UMBRA

Taipei Tries Another Tack

25X1A

Taipei has decided to alter its tactics for dealing with the latest batch of Nationalist prisoners released by Peking. The move is primarily an attempt to avoid the bad publicity generated after the Nationalists refused to accept a similar group earlier this year.

When ten released Nationalist soldiers captured in the late 1940s arrived in Hong Kong last April announcing their desire to join relatives on Taiwan, Taipei refused to have anything to do with them and described the event as a "united front trick." Taipei took a propaganda beating for its stubbornness, especially after one frustrated ex-prisoner committed suicide. Several of the group eventually returned to the mainland in September, and Peking deplored Taipei's "callous disregard" for its old soldiers, a charge that must have stung the Nationalist leaders.

Peking announced last week that nearly half of the 144 "US-Chiang agents" released in September would be permitted to return to Taiwan. The group is made up of persons who had participated in Nationalist raids against the mainland in the early 1960s. Most of them have close relatives still living on Taiwan. Moreover, they are closely linked with Premier Chiang Ching-kuo, who was in charge of the raids. These factors almost certainly contributed to Taipei's decision to treat the freed "agents" with greater compassion.

Taipei's new approach came in the form of a non-official broadcast to the mainland announcing that reception centers would be established on Nationalist-controlled offshore islands to handle those who wished to return. The broadcast pointed out, however, that the released agents would be

October 14, 1975

TOP SECRET UMBRA

~~TOP SECRET UMBRA~~

screened carefully before being allowed to proceed to Taiwan proper. Peking responded, announcing that 60 "agents" had departed for the islands. They now are being screened at the reception centers.

Premier Chiang made the decision to accept the prisoners in early October at the strong urging of his top intelligence and security officials. They recommended that those prisoners considered "reliable" should be allowed to proceed to Taiwan and that the main criterion should be their anti-Peking propaganda value. Those who have no such value will be required to remain on the offshore islands. In this way, Taipei hopes to be in a better position to counter the propaganda advantages that Peking seeks to gain by manipulating the release of Nationalist prisoners.

At the same time, however, the Nationalists remain extremely sensitive about the possibility that Taiwan residents--or friendly foreigners--will interpret acceptance of the prisoners as a sign of weakness in their attitude toward Peking. Taiwan's newspapers waited until after National Day celebrations on October 10 to report the government's willingness to accept the released "agents" and, for the home audience, announced that they had "escaped" from the mainland. The reports included no indication of when the released prisoners might come to Taiwan.

The Nationalists have their work cut out for them in this attempt to steer a middle ground that will avoid both the appearance of a flirtation with Peking and the adverse publicity that would result from another cold-shouldering of freed prisoners. In the end, Taipei will probably attempt to play down the whole affair and hope that it blows over quickly. (SECRET NOFORN/ORCON/NOCONTRACT)

October 14, 1975

~~TOP SECRET UMBRA~~

25X1D

Approved For Release 2001/08/08 : CIA-RDP79T00865A001900280001-2

Next 5 Page(s) In Document Exempt

Approved For Release 2001/08/08 : CIA-RDP79T00865A001900280001-2

National Day in the Provinces
[REDACTED]

China's restrained celebration of National Day in Peking was mirrored in the provinces. Although only one provincial first secretary failed to appear--Inner Mongolia's Yu Tai-chung--one or more secretaries were missing in most provinces.

One first secretary thought to be missing, Chou Hsing of Yunnan, was actually gravely ill. He died on October 3 in Peking. His replacement is Chia Chi-yun, a veteran civilian who headed neighboring Kweichow Province from July 1965 until his purge in the Cultural Revolution. Peking's uncharacteristic swiftness in naming Chia fits with the continued emphasis on unity and stability, but the national leadership is still nervous about minority problems in the area in recent months. Tsinghai and Heilungkiang have lacked first secretaries for months.

There were some reappearances, the most surprising of which was the return of former Shanghai first secretary Chen Pei-hsien. Chen was not given a title, but he was listed with members of the party standing committee. Ironically, party vice chairman Wang Hung-wen headed the turnout--Wang was one of the leaders of the leftist forces that ousted Chen. Wang's presence in Shanghai did not appear to be related to Chen's reappearance, but resulted from Wang's continuing efforts to restore order and production in Chekiang.

Also of note was the reappearance of three former Peking municipal party secretaries who were colleagues of former Peking party boss Peng Chen. Peng has been rumored as slated for rehabilitation. In Honan Province, a new deputy secretary was named.
(SECRET NOFORN)

October 14, 1975

NATIONAL DAY IN THE PROVINCES

<u>Province</u>	<u>Turnout Headed by</u>	<u>Comments</u>
Anhwei	First sec Sung Pei-chang	Two secretaries missing. Record Jan-Sept increase in industrial output value claimed.
Chekiang	No names given	Provincial broadcasts emphasize contributions of the PLA, an obvious reflection of the troops that were sent into the province in July.
Fukien	First sec Liao Chih-kao	One secretary missing. Two Foochou MR officers transferred to Peking.
Heilungkiang	No names	First secretaryship vacant
Honan	First sec Liu Chien-hsun	Two secretaries missing, (Wu Li-chiao) newly identified as a dep sec.
Hopeh	First sec Liu Tzu-hou	One dep sec missing
Hunan	No names	
Hupei	No names	
Inner Mongolia	Second sec Chih Pi-ching	First sec Yu Tai-chung failed to appear as did three other secs.
Kansu	First sec Hsien Heng-han	One sec missing
Kiangsi	No names	
Kiangsu	First sec Peng Chung	
Kirin	First sec Wang Huia-hsiang	No other names listed. Several secs have been out of sight for several months.
Kwangsi	First sec Wei Kuo-ching	One sec missing

TOP SECRET UMBRA

Kwangtung	First sec Chao Tzu-yang	One sec missing
Kweichou	Second sec Li Pao-hua	First sec Lu Jui-lin appeared in Peking.
Liaoning	Politburo member and MR commander Li Te-sheng	First sec Tseng Shao-shan was the only other leader listed by title.
Ningsia	FBIS did not monitor	
Peking	Municipal leaders appeared as part of national celebrations	Three former Peking municipal party secretaries reappeared.
Shanghai	Politburo member Wang Hung-wen	All secretaries appeared as did Chen Pei-hsien, former first sec who was purged in the Cultural Revolution.
Shansi	First sec Wang Chien	Two secs missing
Shantung	First sec Pai Ju-ping	Two secs missing
Shensi	First sec Li Jui-shan	One sec missing
Sinkiang	First sec Saifudin	Politburo member Chen Hsi-lien and central delegation sent to celebrate 20th anniversary of Sinkiang Uighur Autonomous Region continue their activities.
Szechwan	No turnout	First sec Liu Hsing-yuan and ranking sec Li Ta-chang appear in Peking.
Taiwan	No turnout	
Tibet	First sec Jen Jung	Three secs missing
Tientsin	FBIS did not monitor	
Tsinghai	Sec Sung Chang-kung	First secretaryship vacant, second sec Chang Chiang-lin failed to appear.
Yunnan	Second sec Wang Pi-cheng	First sec Chou Hsing died on October 3, replaced by Chia Chi-yun.

TOP SECRET UMBRA

25X1D

Approved For Release 2001/08/08 : CIA-RDP79T00865A001900280001-2

Next 1 Page(s) In Document Exempt

Approved For Release 2001/08/08 : CIA-RDP79T00865A001900280001-2

China's Aluminum Purchases



China has contracted to purchase some 350,000 tons of aluminum for delivery this year, a huge increase over the 1971-1974 annual average of about 90,000 tons. Almost all of the deals have been made since June, apparently as an outgrowth of a Chinese metals delegation tour through Western Europe, Canada, Australia, and New Zealand.

China's Aluminum Imports

	Amount thousand Metric Tons	Value Million US \$
1965	5	2
1970	20	13
1971	75	33
1972	90	37
1973	110	57
1974	75	67
1975*	350	260

**Approximate amount from contracts arranged through September 1975.*

Since many of the purchases are through third country brokers or international companies, the country of origin of the aluminum is not always clear. At least five of the contracts apparently include US-origin aluminum totalling perhaps 60 to 80,000 tons. Other major sources are France, Norway, Japan, Bahrain, Canada, Iceland, and Eastern Europe, particularly Hungary and Romania.

The Chinese are buying at discount prices in many instances--an average of less than 34 cents per pound, 2 to 3 cents below the free market rate --but, the total cost still will run from \$250 to \$300 million. Peking's willingness to spend this

October 14, 1975

much of its scarce foreign exchange would seem to indicate that the purchases go beyond a simple economy measure. China's nonferrous metals sector reportedly is falling short of production goals, and some of the imported aluminum may be making up for these shortfalls. Much of the aluminum, however, apparently is going into stockpiles. Almost all is in ingot form requiring further processing; the Chinese do not have the capacity to process this much aluminum over a short period of time. Some of the stockpiles may be replacing depletions over the last year or so when world prices were high.

The stockpiles probably are being increased in preparation for expanded aluminum consumption during the 1976-80 plan period. The Chinese reportedly are planning to expand their power network and large-scale construction of communications facilities is continuing. The low level of aircraft production also may be increased.

China is unlikely to continue importing such large amounts of aluminum. Domestic capacity--perhaps 320,000 tons--is expanding at a steady rate and the Chinese have made good progress in utilizing their low-grade ores to expand output. Imports are likely to fall back at least to the levels of the past four years.

The sales to China come at a time when Western dealers are faced with huge inventories following the world-wide drop in demand. Sales are small in comparison to the size of total inventories, however, and as one-time purchases, the impact on aluminum producers will probably be minimal. The present low level of capacity utilization in the aluminum industries probably will not be appreciably affected. (SECRET NOFORN/ORCON/NO CONTRACT)

October 14, 1975

TOP SECRET UMBRA

CHRONOLOGY

September 18 - 28 Japanese delegation visits Peking for discussions on long-term oil imports from China. (U)

September 29 - Delegation led by Communication Minister Yeh Fei makes "friendly visit" to North Korea. (U)

October 8

September 30 - Sudanese military delegation led by the commander of Sudan's armored forces arrives in Peking. (U)

October 1

October 2 China and Finland sign civil air agreement in Peking. (U)

October 4 Peking and Dacca establish formal diplomatic relations, agree to exchange ambassadors. Communique signed by foreign ministers Chiao Kuan-hua and Abu Syed Choudhury in New York. (U)

China and Bangladesh issue joint communique announcing establishment of diplomatic relations. (U)

October 6 Japanese Prime Minister Miki meets in Tokyo with visiting delegation of the China-Japan Friendship Association. (U)

October 6 - 12 Yugoslav President Dzemal Bijedic in China on official visit; meets with Mao Tse-tung on October 8. (U)

October 6 Delegation of leaders of US World Affairs Organization arrives in China. (U)

October 14, 1975

TOP SECRET UMBRA

~~TOP SECRET UMBRA~~

October 8

Peking announces the death of Yunnan first secretary Chou Hsing and his replacement by Chia Chi-yun, a rehabilitated civilian who headed Kweichou before the Cultural Revolution. (U)

NCNA announces departure via Amoy and Hong Kong of 65 recently released "US-Chiang agents," all of whom hope to return to Taiwan; Taiwan press reports on October 11 that the prisoners "escaped." (U)

Foreign Minister Chiao Kuan-hua departs New York after attending current UN General Assembly session. (U)


October 13

China issues Foreign Ministry statement protesting US government tolerance of "Tibet Office" in New York. (U)

October 14, 1975

~~TOP SECRET UMBRA~~

Top Secret



Top Secret